



BRAND SECRETS AND STRATEGIES PODCAST #99

Hello and thank you for joining us today. This is the Brand Secrets and Strategies Podcast #99

Welcome to the Brand Secrets and Strategies podcast where the focus is on empowering brands and raising the bar.

I'm your host Dan Lohman. This weekly show is dedicated to getting your brand on the shelf and keeping it there.

Get ready to learn actionable insights and strategic solutions to grow your brand and save you valuable time and money.

LETS ROLL UP OUR SLEEVES AND GET STARTED!

Dan: Welcome. I want to start by thanking you for listening to the Brand Secrets and Strategies podcast. Before I begin, I want to remind you that there's a free downloadable guide for you at the end of most every episode. I always try to include one easy to download, quick to digest strategy that you can instantly adopt and make your own.



One that you can use to grow sustainable sales and compete more effectively. Remember, this podcast is about you and it's for you. The goal here is to get your product under more retailer sales and into the hands of more shoppers. This week's free downloadable guide are my top 10 strategies to meet your business goals.

Stay tuned to learn more about it and how you can get it instantly along with other downloadable guides and my business building courses. If you like the podcast, subscribe, share it with a friend and leave a review on iTunes.

This week's story is about an icon in our industry who started with a legacy brand helping to build it into one of the most trusted and respected brands in the natural channel. Through his journey, he wore many different hats and had the opportunity, the unique opportunity to learn about the business from the ground up.

Bob now shares what he's learned with the industry in his natural product's field manual, his seminars, the business schools that he leads at both natural product expos and with you here on today's podcast. Let's face it, starting a business can be difficult and extremely challenging.

Having the proper guidance, having the proper Sherpa to help you up the mountain to teach you everything you need to know about building a brand, getting funding, getting on a retailer



shelf, working with a broker, all of those things are critically important to your success.

Fortunately in this industry, there are people that are willing and able and eager to help you. Today's guest is one of the leading consultants in the industry. He's earned the reputation as the go-to expert. My special guest today is Bob Burke of Natural Products Consulting.

Bob, thank you so much for coming on today. Could you start by telling us a little bit about yourself and your journey to Natural Products Consulting including some of the advisory roles that you have had and then how you work with a lot of different brands?

Bob: Sure. I'd love to. This is my 21st year consulting. Most of what I do I frame as helping to bring natural, organic and specialty products to market across all classes of trade. Along the way, I've done a how-to guide reference book called the Natural Product's Field Manual.

I also do seminars a couple of times a year. I do a two-day sales seminar with my friend Jon Maggiore accompanied by a number of key customers and industry experts as well as a day on raising capital with my friend Mike Burgmeier from Whipstitch Capital where we have a number of VCs strategics and others.

Usually an entrepreneur who's been through the fundraising journey. Prior to consulting, I ran marketing and sales for Stonyfield Farm for 11 years. Really got my experience in the



industry through Stonyfield, being part of them from the very earliest under a million, losing our shirts, really struggling to break out through about 50 million.

Left on happy, friendly gracious terms and then returned to Stonyfield about 10 years later to serve on their board of directors. Today, I've had the privilege of serving on the board of directors of King Arthur Flour, a company called Orgain which I've known since pre-revenue and is fabulously successful doing things like protein powders and nutritional shakes, bars and some other products.

Saffron Road which aspires to be the first real national brand of Halal certified foods in the US. I had known Adnan, the founder when he was an early investor and board member in Stonyfield. Then later was invited to join him in putting together a plan and eventually joining his board for Saffron Road and they've also been very successful.

Then a terrific small company in New England called Echo Fish. Henry and Lisa's natural seafood who's one of the earliest brands of sustainable seafood. Then I've also served in various advisory boards which are a little less formal, sometimes a little mushy, but in every situation whether it's a board or advisory board, it's just an amazing opportunity to learn so much from passionate entrepreneurs as well as the other folks who are involved as advisors.



Dan: I appreciate you sharing that. Actually, we're both on the FMI Champions Council. Do you want to talk a little bit about that? What is FMI champion council and how do they help and work with brands?

Bob: Yeah. FMI is of course the Food Marketing Institute. It's long been a major trade association primarily for larger grocery chain, supermarkets and they've pulled together a lot of folks like us who have some experience in the business where we can help mentor, advise, especially emerging companies, younger companies in terms of understanding both how to go to market, how to think about their retail strategy and how to engage with every potential partner from broker, contract sales manager, distributor as well as of course retailers to really accomplish their business objectives.

Dan: What do you do with FM and then have you had an opportunity to mentor any of the brands that come through their incubator?

Bob: So far, it's just been a few. Usually, it takes the form of a call. FMI will facilitate the introduction for folks that are part of their program. As I've mentioned, I've just done a few so far, but they've been really interesting in terms of what some of their questions and challenges and things that some of us might take for granted, but it is a whole new world for a lot of these younger companies.

Dan: Absolutely. Let's go back to where we started this conversation and let's talk about your roots and what you learned when you're



working for Stonyfield and then how you're able to apply that going forward. One of the things I thought was interesting is that you've got a degree in both psychology and marketing which I can see that how those go together so well.

Bob: Yeah, I don't really think ... I was one of those guys who when I was ticking the box of what I wanted to major in thought the idea of psychology sounded really interesting, but really didn't fully understand or appreciate what getting a degree in that might mean.

After my first year or two studying psychology, what I really found of all the various types of psychology, you could study social psychology. How people behave in groups was mostly interesting to me and of course, that has a direct line to marketing.

Once I started taking some marketing classes, I really knew I was at home in that area. Found it a beautiful intersection of creativity, analysis, human behavior, aspirations, all those things. Really, really enjoyed studying marketing.

My first couple of years before Stonyfield, I had worked in traditional CPG marketing which was all about research and analytical rigor and things like that which became really good training and a foundation for what I would do later on.

I was doing an evening MBA program at college. For anyone who's been to business school, you often work in groups, you do



case studies and just one of the great cosmic coincidences, one of my friends in my group who knew I was restless and looking around, his wife was Stonyfield's commercial loan officer and knew they were looking for a marketing person.

Put us in touch with each other. I remember going up to the original Stonyfield Farm which is in Wilton, New Hampshire. A 1792 farmhouse which is charming from a distance if it dilapidated up close. The 1852 barn was the dry goods warehouse.

A little addition in the back of the farmhouse was "the yogurt room". It was all at the end of a mile long dirt road up along hill. Got to meet Gary Hirshberg and Samuel Kaymen, the two co-founders of Stonyfield. We got to know each other a little bit, Babson College where I was doing my business school as some of you may know.

It was all about entrepreneurship and it's something that I really either wanted to start my own business. We get involved with a small company and be a key part of it. We just hit it off. I was all about marketing and when they were talking to me about my role, they were talking about putting the marketing program together and I'm like, "Check", emotional programs, "Check".

Somewhere in the conversation it was manage the sales team, do the headquarter calls, work with the brokers. I said, "Hang on, that's sales." They were like, "Marketing." It was not making the yogurt or counting the money. A small company like that not only



is everyone involved in sales, but it certainly took priority over anything that you would consider to be traditional marketing.

Here I was having never done a sales call in my life before, now responsible for sales. I both found that I liked it. I wasn't bad at it and it's really where the rubber hits the road for any emerging company. That was again great learning for me and just being part of a terrific company with a real purpose long before people put that out in front.

Dan: Gary was on our episode. I believe it was 42. Yeah, we talked about that. It was really great because he was telling me all about the old plant and what it was like and how they had to struggle.

To your point and this is one of the things I really want to keep coming back to again and again is that in a small company, you do wear many hats. You're right. It's where the rubber meets the road. I like to people just because your mom likes it, it doesn't mean everyone else will.

You've got to put some work into getting it out there into the marketplace. When you're going to work for Stonyfield in this position, you are and I'm just assuming, correct me if I'm wrong that you have an opportunity, a unique opportunity to define what that role looks like.



How did you envision that role being when you started there? The reason why I said I'm assuming that is because they didn't have a defined process is what I'm getting.

Bob: Yeah. To say that I assessed the situation and then defined my role would be a terrific overstatement. I would say it was more jumping into the deep end of the pool and just trying to keep my head above water. This would have been in the mid late '80s.

Certainly didn't have any sales training, nothing like large CPGs too. I took advantage of every interaction I had with a buyer. Some were I would say more kindly and nurturing than others in terms of explaining things to me and how things work and what they were looking for.

I certainly learned a lot from broker partners who were old hands at this, but things that you do Dan like category management certain guiding into things like syndicated data or any of those kinds of things were all new and further in my future in terms of learning about things like that.

It was really a little bit old school in terms of present new items, try to get on a promotional calendar, try to stay in stock. It was really all hands on deck in terms of our small team. Early on, we had a hodgepodge of really bad distributors and had we stayed with them, we would have gone out of business decades ago.

We started our own DSD distribution company which was a great stepping stone, but certainly I would say a financial millstone



around our neck as a standalone business. It was a huge money drain, but again, a necessary stepping stone to get us on the shelf, keep us on the shelf, enough that we could take route and take off.

Again, the whole thing was a terrific learning experience in terms of being I would say humbly, modestly a key part of a very fast-growing business. While I was responsible for marketing and sales, I was really involved and had exposure and participating in all aspects of the business because that's really what was required for any small company growing up the rate we did.

Dan: Absolutely. To go back to what you were saying, nothing happens until someone buys something. It's so critically important. One of the things that I find is that a lot of of these brands don't think about what happens after they put it in a package or what happens after they make and put a name on it.

What I'm getting at Bob is that I used to be a DSD, delivery driver for a small chip company. We sold Garden of Eatin' and a bunch of other products that are still out there today.

Bob: Wow.

Dan: The learning curve for that. I was a grocery manager before that, but the learning curve was phenomenal because I was able to actually see how I could impact sales for the brands that I work with. When I woke up in the morning every day, I can actually



decide how much money I wanted to make which is really cool. I love that idea.

As a result, I was able to push Frito around and other brands around it because I was able to deliver such a high level. What I wanted to get to here is that when you're talking about starting a DSD service versus a company DSD distribution process as opposed to hiring someone else, the learnings in terms of how that impacts your business and what you need to do to succeed, anyhow, what I was getting at Bob was that how boots on the ground or what really drive sales across all different categories et cetera especially with DSD barriers.

It's a unique opportunity for a brand to really drive sales at retail, at shelf as opposed to any other method out there. Can you talk a little bit about that? What I was hoping you could get into is some of the learnings that you've picked up while helping to manage and put together that initiative to help Stonyfield?

Bob: Well, again, the whole for your listeners, DSD is direct store door. It meant that we had our drivers who we refer to as root sales managers just like in your old job, they were really ... They had commission, they had a lot to do with how much was sold and they certainly ... We take advantage of going into the stores, stocking the shelves and it was really from a brand standpoint, the ultimate in terms of staying in stock, rotating a perishable product, developing a great relationship with the people in the story.



As you said, we were on promotion, they let us open up our space. If another brand was out of stock, they'd let it skill it in with our product. It was really the optimal. Aside from the reality of the cost of running that system which was significant from a merchandising standpoint and all of that as a competitive advantage, it was really, really strong.

We did it in a limited way. Stonyfield was in southern New Hampshire and we essentially did greater Boston down through Providence, Rhode Island. Our best customers, people like Whole Foods at the time, places like Starmarket, Shaw's and some others and certainly all the leading independence and smaller health food shops around Metropolitan, Boston, Eastern Massachusetts, we were really serving under the best possible circumstances.

It really allowed us to be very strong in our backyard which I think is essential for every brand. It certainly allowed us to not only bring new products to market very quickly, as well as staying in stock and rotate it. Our drivers were really also our first line of intelligence in terms of what is going on with our greedy competition.

Anytime they launched a new item, did some kind of new marketing initiative or something, we would essentially find out in realtime from our drivers every day who were coming back at the end of the day to load their trucks for the next morning.



Dan: This is so critically important. Thank you for sharing that because absolutely, this is ... I think everyone should have the opportunity to go out and become a DSD driver, at least have some experience with it. The point being like you said and thank you for sharing that, it is the first line of defense.

It is boots on the ground, it is where you block and tackle where everything that matters to you as a brand happens at realtime on the ground and if you don't have your product on the shelf and someone can't buy it, law sales are such a huge issue.

Whether you go through a broker distributor, it doesn't matter. The problem is if you don't know how to solve these unique problems as a brand, this is where a lot of brands falter. This is where a lot of brands can be taken advantage of.

As you're developing this, you said that you had it in-house. Did you keep it in-house? Did you eventually farm it out or how did you leverage this strategy to grow?

Bob: As Stonyfield started to scale and we ... As a perishable brand, the logical thing for us was filling out distribution in the northeast. We're making everything in New Hampshire. I would say New England was our home market where we had very good presence.

Then of course, moved down the eastern sea board into New York, Philadelphia, Washington. Then we started having green shoots or outposts in places like Chicago and eventually San



Francisco, LA, et cetera as we started to fill out national distribution.

This was a great base for us, but as I indicated a little earlier, when we really examined the true cost of running this, if we looked at our DSD operation as a standalone distribution company, unfortunately it was a real money loser.

The operating expenses of leasing seven 20 foot straight job refrigerated trucks, the drivers, the spare drivers, the maintenance and insurance. When you looked at it all in, it was really hemorrhaging money. We even ended up becoming a small perishable distributor.

Invariably, a buyer would say to us, "Hey, I've got this local refrigerated kitsch. Can you guys deliver this for me?" Many times we would say yes. Even though we were making our distribution margin, even with that extra income to help spread the overhead and absorb some of those costs, it was really hard to show it as a breakeven as a standalone business.

Eventually, as we continue to scale, I think we understood both from a financial standpoint, but also importantly, management time, focus and attention that we started to move that business over to either distributors or go direct into supermarket distribution centers.

We eventually closed down that DSD operation. As I said, it was a very good stepping stone. I think it was an essential part of us



establishing ourselves and forming a really good foundation for us to grow, but it's almost like a booster rocket falling away as the main ship continues on. That's how it served its purpose for us.

Dan: Great analogy. That makes so much sense because obviously, you would not carry the booster rocket into space with you. That makes sense. As you transitioned into direct sales, a direct sales force, let's define that. A direct sales force is when you actually ... The people that actually sell your product work for Stonyfield in this situation.

How did you leverage that? How did you grow that? Can you talk about the advantages of that and where I'm going with that Bob is that even though there are similar DSD versus direct, you still have people that are getting a paycheck by the brand that support the brand that are all in for the brand and that passion, that knowledge, that enthusiasm that the brand has gets transferred down to those people that are actually boots on the ground.

The people that are actually at retail. Can you talk about a direct sales force and what you learn there and the advantages of having a direct sales force because it's a lecture most brands can't afford.

Bob: Yeah. I want to clarify a couple of things Dan. We had a sales team, a direct sales force, but like with many companies, they are essentially broker managers. We didn't have an army of sales people. We had maybe about half a dozen sales managers,



regional managers, director, managing brokers certainly involved doing headquarter calls, checking stores, working with distributors.

Again, this would have been in the late '80s, early to late '90s where it wasn't common today as it is today to have a so-called brand management company or contract sales organizations. These folks were our employees. We certainly had brokers that we worked with.

Again, we were learning in realtime about what are some of the best practices, what are other companies doing in terms of fundamental things like thinking about the category from a category management standpoint, using data to support our recommendations, putting together basic trade spending management process for communicating, tracking, evaluating trade programs.

Again, learning a lot from osmosis, from exposure to other companies. Even we formed a share group with other manufacturers in New England and New York of other small to medium natural companies where we learned a lot in terms of best practices from what other companies were doing.

I suppose a couple of the things that I learned along the way that I still share with other people today are putting together a plan, putting together a budget is all about bottoms up. Meaning, customer by customer, skew by skew, month by month, really understanding where that growth is going to come from.



It certainly stirs a lot of your priorities. Certainly, the people who are going to be accountable for results should be co-authors of the plan. All of our sales team participated in building up that bottoms up plan, we certainly even pushed it down to our brokers using the same philosophy.

Then all of us from myself to everyone on our sales team including customer service and marketing were essentially compensated on the results we delivered. We all had a base salary, but it wasn't ... I would say it wasn't quite market.

It might have been approaching market salaries, but then what we were really focused on was our bonus. Our bonus was basically very simple. It was sales versus plan and contribution versus plan with a lot of upside for meeting and beating plan.

I would say somewhat severe penalties for falling short. We were all about hitting plan and having a realistic achievable, but a bit of a stretch plan.

Dan: I remember when I carried a bag back working for the big companies, Unilever and Kimberly-Clark. We had a direct sales force. Horrible expense for brands and that's why most brands don't do that today. If you think about what would it cost to hire someone. Literally at that time every single store.

Back when I was doing it, we physically called literally every single store the same as the way a lot of the natural brands do today, but the bonus is what we live for because we could do so



well as a team, as a group, but what was unique about that is that we were in the stores every day.

We were talking to the people in the front lines. We were talking to customers. Going back to what you said is the DSD. That's something that regardless how a brand does it, a brand needs to figure out a way to get into the store and have a conversation with real customers get to know their retail partners and really start working with them and nurturing them because it is a relationship business at that point.

But then of course when you overlay that with the fact by selling, that's how you really grow your sales. As you are developing this broker network and this distributor network, what were some of the challenges that you faced? How did you overcome them to help Stonyfield continue to grow?

Bob: I would say there were a few things. One is as we grew our business invariably, we had some organizational issues. Meaning, like any company, some of the folks who are with you at the beginning aren't necessarily ready to go to the next level.

We did our best to do some training, we did our best to educate each other in terms of what we're learning out there. Again, invariably, we would need to bring in more experience. Sometimes that was challenging, sometimes that was hard.

These were people who were absolutely dedicated to the company. In some cases, it was finding a home for them or



finding a suitable role. In some cases, it was time for them to move on.

That was I would say challenging and I think one of my biggest failings as a manager was probably keeping people longer than I should have what I would call almost like misplaced loyalty or consideration when in fact what I learned ultimately was it wasn't good for them and it wasn't good for the company.

Not to sound harsh or cold-blooded, I think that was an important lesson that a lot of people have to take to heart. Similarly with brokers, when you're working very closely with a broker, you get to know them personally. Yet in the same vein as with employees, I think brokers should be working against the set of objectives, there should be a review process just like with your own sales team.

If they're meeting objectives and doing a good job, you keep working with them. If not, it certainly gives them a heads up and gives them a chance to turn thing around, but if it's not working, time to move on. I think that was one of those lessons that I learned through my time at Stonyfield that sometimes stayed in those relationships longer than I should have, but again, it's one of those things that you learn along the way.

Dan: So critically important. In fact, actually the first article that I wrote that really got noticed that helped led to my speaking in various groups and different organizations, writing more articles,



et cetera was about how to leverage that relationship with a broker, how to hire them similar as you would an employee.

Then hold them accountable, but more importantly, give them the marching orders and tell them where to park the car, what doors to call on, et cetera and then help them be successful on your behalf which is not every brand does that.

When you're talking about that piece of the business which is so critically important, can you talk a little bit more about some of the challenges that you ran into same as with an employee where you want to keep someone on because they've been loyal or whatever even though if they don't have the skillset, but more importantly, how do you educate them? How do you train them and then how does that relate to a broker relationship?

Bob: Well, I think I would bring it all back to being really clear on what success looks like, being really clear on what those objectives are. Hearing agreement from both the employee and the broker that, "Yes, they can get it done."

Not necessarily foisting a bad plan on either employees or an unrealistic plan on brokers and I would try to approach it in the spirit of collaboration. I don't mean in the Kumbaya sense, but really treating them as a partner, not as a hired help, hearing where they see opportunities.

There were times when I would put together a first version of a plan and then bring them in and they would identify opportunities



that I missed. It's like, "Hey, Whole Foods is opening four new stores next year in this region." Instead of 15% growth which might have sounded respectable, it's going to be 20% growth.

The other thing is recognizing that basic fundamental, even tactical kinds of things that you might do as a sales team which might be execute a pricing action, execute a case pack change, size change, UPC change which a lot of companies fumble and variably it cost a lot of money hardly ever done well.

Brokers have been through hundreds of times. Getting their input on those in terms of in advance, in terms of how to do it properly, how to do it in the least onerous was also a lesson I learned in terms of really treating them as a valuable resource and not just like here, "Go execute the following."

Dan: I talked to so many brands that have a love-hate relationship with the brokers because they don't do exactly what you're talking about. They effectively hand the keys to them and say, "Here, go run my business." That's not smart.

Bob: That's not smart, yeah.

Dan: Yeah, but to go back to what you're saying, I love the way that you frame that because they can be a tremendous asset to you, a tremendous resource and at the same time, you need to hold them accountable. I was talking to someone recently on the podcast.



I said, "Why would you ..." You've got a broker you're struggling with, if you hired me to sell your product, at what point would you say, "You know what? You're not making it, we need to cut you lose." Why not have that same mentality or same mindset when you're working with anyone.

It doesn't matter even in sales agency. Okay, go one step further, being able to support the broker with the strategies that are going to help you build your brand and collaborate with them, one of the things that we started with years ago that we started doing and that's by the way a big piece of true category management is we developed a collaborative relationship with our retail partners.

Instead of just trying to figure something out in the backroom and then bring it in and say, "Here you go." We would work with them to understand what their goals and their objectives are and then help them achieve their goals and objectives by leveraging the strengths of our product.

Can you talk a little bit about some of the strategies that you've seen work with brokers, with other agencies that are managed at the brand level?

Bob: Well, if I'm answering this in the spirit of what you're looking for, part of it is getting an unfair share of their time and attention. A little bit of that is not only treating them respectfully, but also getting to know them, building a little bit of a personal relationship.



They understand what the company is looking to achieve, understand what you're looking to achieve. You're not just blowing into town, spending a few hours with them and then blowing out of town or the only time they hear from you is when they're doing something wrong.

The old adage of catch them doing something good, "Hey, it was a great visit to this customer." When we went out and looked at the stores, the stores looked great, keep up the great work, copy their boss. Things like that I think were always a really good plus.

I think going back to what you were saying earlier in terms of having that strategic relationship with customers and treating brokers like partners, we would always try to think about what are those strategic goals of the retailer.

It might be growing their basket, it might be trading people up to higher margin, higher products, attracting a consumer who cares about things like organic or non-GMO or healthier for their family, products. We would try to make that case about rather ... For example, when I was in the Yogurt business, very highly competitive category.

Small cups of yogurt, we're always on promotion. Not to mention big private label presence and we at Stonyfield could say, "Look, at the time, we might have been the most expensive brand in the category." When we have our ... When we're being effective in our marketing programs and promotional programs, we're getting people to switch to Stonyfield, you're trading them up again,



higher ring, higher penny profit, higher gross margin, better for the buyer, better for the retailer.

Also, by offering an organic product, by offering a healthier product, that halo extends to the retailer in terms of furnishing their brand and moving them a little more up market by carrying products like ours. Also, I know this might be obvious in common sense, but by bringing in a consumer who cares about say organic, that same consumer is probably one who is buying more expensive specialty cheese, higher grades of chocolate, more expensive bottles of wine.

In some, a more desirable consumer to attract to your store. That would be part of our argument beyond the nuts and bolts of which items to add and which items to drop and which items to promote and so on.

Dan: Well, that's so critically important. Let's talk about that a little bit more. I agree with you 100%. Thank you for sharing that education. This is a unique opportunity for a brand to educate the retail.

Now, let me frame it this way. I said millions of times that retailers don't generically make anything. What they sell is the real estate in the form of the space that your product takes up on their shelf. They cannot be an expert in every category and every item they sell.



It is incumbent therefore for the brands to help educate the retailer on what's unique about their product and more importantly as you said what's unique about the customer that buys their product. What I would like to see is a bigger shift in the market in terms of which products are really driving sales at shelf, which products are really responsible for driving traffic in the store.

Being the focus as opposed to how much can I get out of this brand for slotting and menu fees and stuff like that. Anyhow, if you're able to develop that kind of relationship with a brand with a retail partner and you're able to leverage that even through your broker, et cetera, that's the recipe for success because that's the opportunity that you have same as you would where we started this conversation with a direct sales force of being able to control your destiny and get intelligence that's going to help you make decisions down the road. Do you have some other stories around that that you could share?

Bob: Well, I can remember years ago a true story. One of the biggest chains in Metro New York is ShopRite which is supplied through the cooperative warehouse Wakefern and there was a very astute buyer there who recognized Stonyfield's role in the category and he would periodically put us on promotion i.e. reduces retail price, tag it with no support from us.

This sounds incredible to say this in 2018, but he would periodically put us on promotion to help grow our franchise if you will because of how it contributed to his overall margin in his



category and how we again attracted that consumer he was really looking to serve.

That's one of those true stories that support this whole approach. Obviously, a little bit rare, but I want to go back to one of the things we were working on there Dan and that is retailers are brimming with data. They have all the data in the world of what they're selling through their stores.

They certainly have access to a lot of the data, what's going on in the market, through the syndicated data companies. In our category, they would be leaders like General Mill's Yoplait and Danone who might have served as category captains during the category review process.

One of the things that a brand can do of any size is share whatever they know about their consumer or the category consumer because that's usually a little more of a blind spot for retailers where they don't have that same understanding that a brand owner might have.

Whatever we could offer in terms of insights on who's shopping the category, who's buying our brand, how does that dovetail with some of the strategic objectives as a retailer was certainly a value ad that we could bring as a small challenger brand.

Dan: Absolutely. In fact, savvy retailers already know how well your brand is doing. They don't need another report sale, "Look, I'm number three in the category, I'm up 2%." To your point, what



they want are actionable insight. They don't want a cab top on report.

They don't want to hear the same story spun a little bit different from one brand to the next brand to the next brand. They need to know who's buying their product, when they buy their product, what else do they buy? They want to know how you're impacting other category.

At the end of the day, that's what they're hungry for. Thank you for sharing that. One of the cool things about true category management and what it can do for you is that it puts you in a position where once you develop that trust with that retailer, sometimes savvy retailers will actually give you their internal data for free.

There have been a lot of times Bob where I've been able to work with a brand, work with a retailer, excuse me where they've given us the data. We didn't pay slotting, we didn't pay for the menu fees, et cetera, but because I provided so much value and helping them drive sales in the category, I was able to get information that I would have had to pay for otherwise one.

A lot of times the information was a lot better than it would have been able to get otherwise. What's really cool about that is because I was able to prove myself back to the DSD and the direct sales force thing, then they would frequently come to me and offer me opportunities or if they needed something last minute, I was the first person they called.



It wasn't a transactional relationship that I had with them necessarily like every brand has today, but being able to leverage your relationship, your ability to drive sales within the retailer, that sets you apart from your competition.

In my mind, that's how you become a category leader. A category leader is any brand willing and able to step up and provide actionable insights and guidance to the retailer to help them achieve what they want, reasonable profit, more traffic in their store and to be able to compete more effectively in their market.

If you can help a retailer with that, that is your ability to go one step further and leverage it against other brands and to your point, savvy retailers are more than happy to give you incremental opportunities to reward you back as you were talking about with the employees.

How do you nurture them? Let them know that you appreciate the fact that they accomplished an objective or maybe hit the ball out of the park, the same thing with your retailer brand relationship. It's an opportunity for you to really differentiate yourself and stand out above the competition.

What you're talking about in terms of education while it's really, really rare that retailers will do that, it's certainly not unheard of and it's something that I would love to see retailers, smart retailers really take advantage of because to your point, it's the small disruptive natural organic brands that are driving sales across every category.



The future of CPG is tied up in these products that consumers want as opposed to a lot of the mainstream products which are really struggling to be honest with you.

Bob: Sure.

Dan: Go ahead please.

Bob: Oh no, no. I think you said it well. I'm not sure how much I can add other than just reinforcing that everything you described is really approaching that collaborative relationship with a retail partner. I think that's something we all aspire to get to.

I was down in New Zealand last week and I was doing a presentation about getting on the shelf, staying on the shelf, building your relationship with your retail partner. I did to my sense of humor a different take on Maslow's hierarchy of needs.

I called it Maslow's hierarch of trade relationships with where the bottom level was the fun factor that being fear, uncertainty and doubt, the next level being gunned to your head which we've all felt that at some point in our interactions with trade customers.

The next level being purely transactional and the next level being collaborative. Really, when you get to that equivalent of self-actualization, it's where your retail partners are coming to you and working with you on innovation and saying, "Can you guys come out with this? Can you guys come out with that?"



I've certainly have seen that with a number of companies including Stonyfield, but also some of the companies whose boards I'm on where they have that with everyone from Trade Joe's to Whole Foods to Costco, to others and that's being on a starry plane in terms of having a relationship with a customer.

Dan: Absolutely. In fact, when I started in this industry about the same time you did give or take, it was a them versus us mentality. Them being the retailers, category management was born out of the idea that we should partner, we should become connected.

FMI back then was a newer thing. A big piece of the FMI puzzle was developing the relationships between one brand and another brand going back to the share group mindset that you were talking about earlier. That's how this has all evolved.

What's great about the experiences that certainly I had it in big CPG is I had an opportunity to learn this off from some of the best brands on the planet in terms of how to leverage these strategies, why these strategies matter.

One of the things that I really wanted to ... The reason I really wanted to talk to you and we've known each other for quite a while is that learning this stuff as you go from the ground up is a perspective that a lot of brands don't have.

Whether you learn this stuff, learn these insights, get this education from a big brand or you learn it from the ground up, it's so critically important to every brand's future that you have



these strategies, these solid skill sets that you can use and build upon to help you drive sales.

This ties into your business in natural products consulting. The seminars you have, you do a phenomenal job of helping brands understand this and learn some of these strategies so that it can give my healthy foundation to build their brand on.

Can you talk Bob about Natural Products Consulting, what was the origin, why did you start this? What were you thinking about when you did this and then what are some of the things that you hope to give brands as they go forward?

Bob: Wow, that's a tall order, but I'll do my best. When I was working with Gary especially at Stonyfield, I would often accompany him at events like social venture network and other industry events, conferences, et cetera. Gary being the rock star he is and very eloquent engaging speaker would inspire a room full of entrepreneurs who would later come up to him and say, "How did you get into Whole Foods? How did you put on brokers? How did you do this?"

He would point to me and say, "Ask him." I found that I really liked it and I found that explaining it, a little bit of teaching, a little bit of sharing, a little bit of commiseration was something that I not only found enjoyable, but I saw that it had a real value.

When I started consulting, I really ... A lot of it was right place, right time fell into a clover if you will. Within weeks of starting



this, I had Annie's home grown as a client who I ended up having for four or five years. I had Oregon Chai who I ended up having for about seven years.

I had Conagra who I had for two or three years. OCP Chocolate, Organic Chocolate Products which was an ingredient supplier who I had for a long time. All these admonitions I heard about consulting that it was feaster famine or eat what you kill, all these things that implied a harsh life, I didn't really experience.

I was very fortunate. It was at a time when natural products were really exploding. There were as there are now a lot of young emerging brands eager to learn. There were large CPGs trying to figure out how to get involved. I had a little bit of a pedigree coming from Stonyfield who was a well-known successful brand.

As I said earlier, I found that I really liked it. I've been fortunate where I stumbled and bumbled into this nice virtuous circle of consulting the books, the natural products field manual that I did with my friend Rick McKelvey.

The seminars, that led to speaking and presenting as for yourself at shows and conferences. It became this very nice virtuous circle that fed each other. With the seminars as I mentioned at the start of our discussion, these are things that I do a couple of times a year. I do them with my friend Jon Maggiore who's a long time broker and before that category manager at Ahold in a number of categories including natural products and before that, Dairy/Deli/ Frozen.



He was actually one of my buyers when I was at Stonyfield. We kept a very good relationship. When we do these seminars, Jon and I will do things such as putting a growth plan together, pricing and margins, working with distributor and brokers.

In fact, with sales calls and trade spending and then we have for example this upcoming one that we're doing December 12 and 13 in Boston will have the lead natural person from Kroger, we'll have John Raiche, the senior exec from UNFI.

We'll have Jen Pletscher from UNFI Next, their emerging brands group. We'll have Ben Nauman from NCG and a few of his colleagues from the National Coop Groceries Association. Then we'll have experts on Amazon, Ecom, Whole Foods, Costco.

We'll have someone from SPINS and my friend James Curly who does a delightful presentation on a dreadfully dull topic of implementing case pack changes and price increases. Lots of experience in the room, lots of learning and a great way to leap frog and shortcut the learning curve.

What's really great and satisfying for us is that the people who come to the seminars and not all early stage companies will have brands like Bob's Red Mill and Dr. Bronner's and others who have been in the industry for 30, 40 years sitting next to smaller emerging companies.

Between the people in the room, the people who are leading the sessions and some of our sponsors not only is a great learning,



but it turns out to be a great networking event as well. It's not a tired cliché to say that I learned something at every single seminar because of how quickly the industry is changing. They tend to be very good events for everyone involved.

Dan: Absolutely. That's where I was going with all these other conversations, these questions I've been asking you. You learn yourself how to do this. Now you're teaching. You're helping not only to teach, but now you're bringing in other people that can help enhance other people's learning and their growth.

It's so critically important that brands take advantage of these opportunities. You can learn something from anyone. To be able to go to the seminars and some of the other programs that you put together whether be at Expo West, Expo East, et cetera, you've got a great following, you've built a tremendous reputation and people learn a lot from you.

I hear so many tremendous things about your ... hear a lot of tremendous comments about your positive feedback about your seminars. Can you talk about your book and what's unique about that and then how does that fit into your business and to help your brands.

Bob: Thanks for asking Dan. Early on in my consulting, again, I had the opportunity to meet lots of different companies, lots of different sizes and stages and it occurred to me after the 10th time or 20th time I'm explaining to a company basic things whether it be how to calculate gross margin or how to put a basic



plan together or how to identify and qualify and select and manage great brokers.

I started thinking, "Hey, I can do this in front of 100 people." Or, "I can do this in front of 50 people." Which nurtured the idea of doing seminars. As an extension of that, I thought, "Well, if I do a seminar, I'll need to have some kind of leave behind. I'll need to have some kind of workbook or manual."

Frankly, it just took on an absolute life of its own. I ended up doing the book with Rick McKelvey long before ... Well, not long before, but before we started doing the seminars. The field manual is basically a package of content bundled with databases, coupons and consulting time by me.

It's comprised of four volumes, 44 chapters, 60 outside contributors including I might add on food category management. Then there's a flash drive with databases of stores, brokers, distributors, budget models.

In some cases, content that's publicly available. Meaning, we might have the 2019 Whole Foods category review calendar which is not ... Certainly not proprietary, but it's there for your convenience. We then have about 100 grand in coupons for services from people who I know, like and trust.

Many of whom being contributors in the manual. Part of the logic there is that if somebody is thinking about getting it, they can look through the coupons and say, "Okay, I'll use help from this



person or that person or I might buy a SPINS report or I might do this or that."

Certainly, they can defray the cost of the book or in many cases, pay for it several times over. Then the half day for me is a bit of a catch all. It might be either answering questions of topics that aren't in the manual. I've had people come to me and say, "Okay, this is great, but I've been approached by Trader Joe's about doing a private label program. How should I think about that? How should I price it? How does it affect my branded business elsewhere?"

Or it might be basic things like, "I read your section on how to work with brokers, I referred to your database of brokers, but based on what I've shared about my company, who would you recommend for Chicago. Can you make an introduction for me?" Things like that.

It fits nicely into this consulting business that I've had both as sometimes it's a way to get started with someone where they'll look to engage with me or they'll look to get some help. It might be something where they can buy the field manual which I sell for about four grand, \$3,999, all-in.

It's a way for them to get up to speed on a lot of things, have tools that they'll use for the life of their business in terms of the databases and the coupons. Then they can use that half-day consulting for me more strategically than having me tutor them on things they could read on their own such as everything from



some of the basics of working with brokers, distributors, category management, et cetera, et cetera, et cetera.

As well as reviewing profiles of some of the key customers. As I mentioned, Rick and I, Rick McKelvey just a quick word on Rick who you know Dan, Rick and I were industry friends, we were part of the same share group that we organized among New England and New York manufacturers.

While I was at Stonyfield, he was at LightLife, the meatless company. About a year or so after I left Stonyfield, LightLife was sold. He found himself on his own. He wanted to take a crack at consulting. We had this idea together of doing this field manual.

Then I'd say within about a year where I have the great good fortune of working with really good companies, we had the opposite experience then decided he wanted to go back and make a legitimate living working for a company. Yet, because we had both satisfaction about putting something like the field manual together, it was a nice little side gig, he wanted to continue doing that with me.

Now, we've been doing it since 2002. 16 years and we have our own little LLC together. I'm pleased to say we came up with the eighth edition back in July of this year. We're constantly expanding it, we're constantly updating it and again, it's a great way for us to say current in terms of all the changes that are going on in the industry.



As we meet interesting people like yourself, as well as experts on Ecom and direct to consumer and supply chain and working with co-manufacturers, et cetera, we keep adding those sections to the book and we keep expanding dimensions of all those things. It's continually relevant and adds value to the people who end up getting it.

Dan: Kudos to you for your success and for doing that. Thank you for helping our industry out. One of the things I think makes natural natural or people like you that bend over backwards, to help educate and support and help give brands the foundation that they need. That's why this podcast exists.

Thank you for sharing that. Thank you more importantly for being here today because this podcast as I frequently say is about you for you. Meaning, it's about the brands that listen. As I share, my mission is to help make our healthy way of life more accessible by helping you get your product in more retailer shelves and into the hands of more shoppers.

We do that in the same way in terms of how do we help these brands take advantage of what works, take advantage of the strategies that are used best in class by the big guys and the little guys to really differentiate themselves at retail.

Then educate the retailer about their core consumer then more importantly, how do they connect with their consumer? How do they build a community around them? I love the fact that you've got these platforms that you can really help the brands with back



to working with FMI and some of the other board groups and Nutrition Capital Network and being part of that group and et cetera and I'm a part of that as well.

But being able to really help brands, mentoring brands at Expo West and East as they go through the business school. Again, hats off to you for everything you do. Thank you for being such a big part of this industry and thank you for tirelessly giving so much of yourself and so much of your network to the brand looking forth helping and where to go, what questions that they need to be asking when they approach a retailer, et cetera. Bob, is there anything else that you wanted to share that I hadn't asked you about before?

Bob: Wow. I think you did a really good job of hitting the high points. I think the only other thing that I would say is when I started this consulting business, I reached out to other people doing consulting. I might have shared this with you before Dan one-on-one, but a number of people ominously warned me about giving away too much information or if somebody is going to pick your brain for goodness sakes, make them pay dearly for that and it just didn't seem right.

Not that I'm virtuous or too altruistic, but it just didn't sit well with me and it's not my style. For the whole time, I've been consulting my MO has been happy to give anyone the time of day, hear what they're doing, offer up idea, suggestions, make introductions.



If anything comes of it, great. If not, it's another contact. One of the things that I read about networking that really hit home with me as being a great definition of network is understanding how you can help someone else versus that person at a conference, at a networking event who's furiously handing out business cards.

Those are things that have really stuck with me as good practices I think for any of your listeners no matter what they're doing.

Dan: Absolutely. In fact, one of the things I really appreciate about you, about our relationship is that you're just good people. You really are. It's such a compliment. You're the kind of person that actually I met with you once on my way to work with a client up in your neighborhood, actually, you are an adviser for MegaFood and we had a chance to sit down.

You actually invited me to your house. Thank you for doing that, but it goes back to how the authenticity, what makes natural natural. I think about that authenticity, I think about the transparency, true transparency, I think about the ability to really help brands succeed.

In fact, one of the things I started doing on the podcast is answering questions, solving specific bottlenecks on my guest. To your point, this has been such a tremendous opportunity. I'm nearing episode 100 that will come out right after we finish this.

I know, can you believe it? 100 episodes already, but it's along that same veins, being able to help people at a larger scale, on a



broader scale. Anyhow Bob, thank you so much for making time for me and the audience and I really appreciate everything you do in the industry.

Bob: Well, thanks Dan. I really appreciate being here. I appreciate the thoughtful questions that you put out there and I wanted to just finish by saying it's absolutely been a two-way street in terms of every interaction I have with a company, whether I end up working with them or not.

If I serve on a board or advisory board, I learned so much from both the company, but my fellow board members. If there's one great satisfaction that I've received is this opportunity for life-long learning in terms of continuing to stretch myself into new areas as we discuss and as you guided me through the discussion.

I obviously started in marketing and sales and here I am in my 13th year of giving seminars and raising capital or certainly in some of my board roles serving as a chair of governance or comp committee and certainly being involved in loads of organizational discussions and decisions and things like that.

That opportunity to continuing to learn so that not only for myself, but also how I can share some of those learnings with the companies I'm involved with has really been among my greatest satisfactions that I've got out of doing the work that I do.



Dan: Well, thank you again. I appreciate that. It's so critically important that we'd be able to give back to this industry, that we'd be able to help bring others up, we rise by helping others. Again, I can't thank you enough.

Bob: Sounds great. Thanks Dan.

Dan: I want to thank Bob for coming on the podcast today for sharing his wisdom, his insights and more importantly for everything he does for our natural products industry. I'll be certain to put a link to Bob's business, Natural Products Consulting on the podcast webpage and in the show notes.

You can learn more about Bob's seminars and his field manual on his website. This week's free downloadable guide are my top 10 strategies to meet your business goals. You can get it instantly by texting 10strategies to 44222 or you can get it on the podcast show notes on the podcast webpage. You can get the show notes at [BrandSecretsandStrategies.com/session99](https://www.brandsecretsandstrategies.com/session99)

These are the strategies that are going to help you drive sales and build a healthy foundation for your business. Thank you for listening and I look forward to seeing you in the next episode.

Natural Products Consulting <https://www.naturalconsulting.com>



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Nothing happens until someone buys your product and shoppers can't buy what they can't find. The path to sustainable sales and getting your product onto more retailers shelves and into the hands of more shoppers.

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Sign up today on my website so you don't miss out on actionable insights and strategic solutions to grow your brand and save you valuable time and money.

I appreciate all the positive feedback. Keep your suggestions coming.

Until next time, this is Dan Lohman with Brand Secrets and Strategies where the focus is on empowering brands and raising the bar.